



Maryland Governor Signs Law Undoing Part of CashCall Case

April 22nd, 2019

Maryland Governor Larry Hogan recently signed legislation to make it easier for loan brokers to operate in Maryland. Senate Bill 68 reduces the burden placed on loan brokers by the Maryland Court of Appeals' interpretation of the Maryland Credit Services Business Act in the *CashCall, Inc.*, case. In *CashCall*, the Maryland high court held that the MCSBA applied to loan brokers, regardless of which party to a loan compensated the loan broker and regardless of whether the loan broker entered into a contract with a consumer for loan brokering services. This broadening of the law imposed various obligations on loan brokers, many of whom operate as partners to banks, including statutory mandates to enter into an agreement with a consumer and to disclose certain terms in an "information statement." Unfortunately, the *CashCall* decision created consumer confusion, as many loan brokers operating today do not take money from consumers to broker loans and do not enter into contracts with consumers. SB 68 legislatively reversed the impact of the *CashCall* decision by removing the obligation of loan brokers to provide information statements and other irrelevant disclosures to consumers.

SB 68 takes effect October 1, 2019.

[Senate Bill 68](#)

[CashCall Decision Summary](#)

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